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CONTRIBUTION TO THE STUDY OF METHODS
OF DEVELOPING AREAS WITH LITTLE INDUSTRY

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du Territoire

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CONTRIBUTION TO THE STUDY OF METHODS OF
DEVELOPING AREAS WITH LITTLE INDUSTRY

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POUR L'EQUIPEMENT DU TERRITOIRE

SUMMARY

The problem of the industrialisation of developing countries is analogous in many respects with that set by the industrial development of traditionally agricultural regions in countries which are already industrialised. Thus, in France, the creation of employment in certain western and south-western provinces now has to aim at maintaining a satisfactory demographic and economic balance, and it is interesting to note how these problems are being solved in our country, where industrial development largely commands the harmonious development of the whole economy; it must therefore, fulfil three conditions:

- the expansion of industrial production in accordance with the directives of the Fourth Economic and Social Development Plan, with a view to ensuring a favourable position for France in the Common Market;
- the establishment of full employment, based on the growth of the working population as forecast by the Manpower Committee of the Central Planning Commission;
- the development of the country, aiming at a rational geographical distribution of the means of industrial production and not merely decentralisation from the Paris region; it should, for example, solve the problems raised by the economic development of certain under-privileged regions, or by the conversion of certain declining industries, such as shipbuilding and coal-mining; it should promote optimum utilisation of natural resources; and it should provide foci of industrial employment within each region and, by thus creating secondary centres of attraction and nuclei for rural industries, prevent the depopulation of the hinterland and the excessive concentration of population in the large towns.

These considerations guide the action of the authorities in the Ministry of Construction, the Central Planning Commission and the Ministry of Industry.

Three methods are used simultaneously:

- development of a few large provincial capitals;
- extension of secondary industrial centres, to which the main effort should be directed at present;
- establishment or expansion of an artisan industrial population in rural areas.

In order to carry out this policy successfully, the State has various means of inducing companies to fit their projects into the framework laid down by the Government: these include the establishment of regional action programmes, subdivided into "operational stages", subsidies, loans and tax reliefs for companies setting up in the least-favoured regions. These special concessions are granted on the recommendation of a special committee of the Economic and Social Development Fund, composed of representatives of all the interested Ministries and Departments.

For their part, municipalities and Chambers of Commerce, acting either directly or through mixed Development Companies, (*sociétés d'économie mixte d'équipement*), promote the development of private industry, by laying out industrial zones in advance on suitable land, provided, at minimum cost, with all the general equipment and utilities which may be needed.

Industrial zones have two further substantial advantages from the standpoint of the public interest; they are systematically co-ordinated with town-planning schemes and they regularise the local labour market by widening the range of jobs.

The establishment of industrial zones poses a series of widely-differing problems:

- determination of the area to be equipped, which depends mainly on employment prospects in the centre and region under consideration;
- siting of the zone in the town and, where appropriate, division of the area to be developed into several zones devoted to different types of activity;
- preliminary technical studies as a basis for a provisional balance-sheet;
- actual development, involving purchase of the land, the starting of work, supervision of works and the sale of the developed zone by lots.

For the execution of these complex tasks, the local authorities often call on the *Sociétés d'Economie Mixte*, which were specially formed to handle urban development schemes.

Action by the public authorities may also include financial or technical participation in the construction of factories planned by industrialists for the zones in which they propose to establish themselves; in such cases, participation is regarded as a continuation of development of the zone and, therefore, forms part of the policy of incentives referred to earlier.

Begun 10 years ago, this policy has provided some spectacular results, and, over the past 4 years, the number of industrial zones developed in France has been greatly increased to meet the considerable growth of the working population which will be evident from 1965 onwards.